PET 15-2 LIBYA

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Department of State TELEGRAM

409

CONFIDENTIAL 211

PAGE 01 TRIPOL 00013 051102Z

19
ACTION AF-13

INFO OCT-01 EUR-20 CIAE-00 DODE-00 PM-06 H-02 INR-06 L-03
NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-14 USIA-12 E-11
COM-08 INT-06 OFP-01 RSR-01 /119 W
069180

R 050810Z JAN 72
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 8369
INFO AMEMBASSY BENGHAZI
AMEMBASSY LONDON

Classification Extended By:
C.E. McManaway
A/CDC
P800117-1414 8/11/1980
RDS-3 1/5/84

C O N F I D E N T I A L TRIPOLI 0013

SUBJ: NATIONALIZATION OF BP: AGEC RELATIONS

REF: BENGHAZI 0002

SUMMARY: BUNKER HUNT REPS ARE NOW NEGOTIATING WITH LIBYAN NATIONAL OIL CORPORATION (NOC) TO FORMALIZE RELATIONSHIP BETWEEN TWO ORGANIZATIONS. HUNT CONFIDENT IN ITS ABILITY TO SUCCESSFULLY KEEP FORMER BP CONCESSION GOING, BUT APPREHENSIVE ABOUT MARKETING ARRANGEMENTS AND MANAGEMENT RELATIONSHIP WITH LIBYANS. END SUMMARY.

1. ECONOFF SPOKE JANUARY 4 WITH [redacted] WHO CONFIRMED AND AMPLIFIED INFORMATION CONTAINED REFTEL. ECONOFF ALSO RELAYED [redacted] RCC MEMBER KHARUBI'S BROAD HINTS ABOUT DESIRABILITY OF NELSON BUNKER HUNT VISITING LIBYA. [redacted] AWARE OF LARG'S FEELINGS AND EXPECTED HUNT WOULD BE ON HAND FOR SIGNING CEREMONY WHICH, HOPEFULLY, WILL CAP CURRENT NEGOTIATIONS BETWEEN HUNT AND NATIONAL OIL CORPORATION.

2. [redacted] COMPANY NOW OPERATING WITHOUT FORMAL AGREEMENT WITH ARABIAN GULF EXPLORATION COMPANY (AGEC), MERELY ON SERIES OF VERBAL UNDERSTANDINGS. [redacted] TEAM FROM DALLAS HAVE HAD PRELIMINARY DISCUSSIONS CONCERNING FORMAL AGREEMENT WITH ANIS SHATAWI, CHAIRMAN, NATIONAL OIL CORPORATION. [redacted]

32
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UNCLASSIFIED

DECLASSIFIED F76-0343

Department of State **TELEGRAM**

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PAGE 02 TRIPOL 00013 251132Z

DESCRIBED AS "REASONABLE AND COMPETENT." AMONG MAJOR PROBLEMS WHICH [redacted] WOULD EMERGE AS NEGOTIATIONS PROCEED WILL BE LIBYAN PRESSURE ON HUNT TO MARKET ALL OF AGECO'S PRODUCTION DESPITE LEGAL ACTIONS AGAINST SUCH SHIPMENT BE DETERMINED TO TAKE (LONDON 231). [redacted] CONCERNED ABOUT PATTERN OF MANAGEMENT RELATIONSHIPS AND RESPONSIBILITIES WHICH LIBYANS MAY SEEK TO ESTABLISH. HE FEARS LIBYANS WILL WISH TO HAVE A SAY ABOUT TECHNICAL MATTERS IN WHICH [redacted] ARE NOT COMPETENT. E1 E1

3. ON BRIGHTER SIDE, [redacted] RUNNING SARIR FIELD IS A "PIECE OF CAKE." HE ALSO NOTED [redacted] ONLY THAT 37 BUNKER HUNT EMPLOYEES NOW DOING WORK FOR [redacted] DONE BY 170 UK EXPATRIATES. THIS, HE SAID, WAS POSSIBLE BECAUSE OF VERSATILITY OF U.S. EMPLOYEES, BUT CONCEDED IT WAS ALSO BECAUSE PRODUCTION IN THE FIELD WAS AT HALF ITS FORMER LEVEL. E1

4. [redacted] CURRENT ROUND OF NEGOTIATIONS TO LAST ANOTHER FEW DAYS, AT END OF WHICH THERE WILL PROBABLY BE BRIEF RECESS BEFORE FINAL ROUND AND SIGNING OCCUR. SP-4. E1

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7

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AF/N:WCLARK:RJP
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ROUTINE TRIPOLI

ROUTINE LONDON, BENGHAZI

LIMDIS

SUBJECT: BP NATIONALIZATION

REF: TRIPOLI 2302 PET 15-2 LIBYA

1. DEPT HAS REVIEWED EMBASSY'S THOUGHTFUL RECOMMENDATIONS (PARA 8 E REFTEL) IN LIGHT GENERAL POLICY SET FORTH STATE 229809 AND OTHER CONSIDERATIONS. AMONG LATTER WE HAVE TAKEN INTO ACCOUNT FACT THAT COMPANIES HAVE NOT RPT NOT REQUESTED USG INTERVENTION ON THEIR BEHALF DESPITE NATIONALIZATION BP AND ITS POTENTIAL IMPLICATIONS FOR THEM.

2. [redacted]

3. NOTWITHSTANDING OUR RESERVATIONS RE DEMARCHE AT THIS TIME, WE WILL WELCOME YOUR FURTHER THOUGHTS RE ACTIONS USG MIGHT TAKE VIS-A-VIS LARG AT SUCH TIME AS YOU BELIEVE THEY WOULD BE MOST EFFECTIVE IN ENCOURGAGING REASONABLE LARG POSITION RE DOLLAR PARITY AND PARTICIPATION PROBLEMS.

(5)

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46 PET 15-2 LIBYA (E)

Department of State TELEGRAM

CONFIDENTIAL 634

PAGE 01 TOKYO 00149 070522Z

17
ACTION E-11

INFO OCT-01 AF-08 EUR-20 EA-11 INT-06 COM-08 OEP-01
CIAE-00 DODE-00 PM-06 H-02 INR-06 L-03 NSAE-00 NSC-10
P-03 RSC-01 PRS-01 SS-14 USIA-12 AID-20 FRB-02
TRSE-00 XMB-06 OPIC-12 CIEP-01 LAB-06 SIL-01 SAM-02
OMB-01 CEA-02 STR-08 RSR-01 /186 W
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R 070502Z JAN 72
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 3541
INFO USMISSION OECD PARIS
AMEMBASSY TRIPOLI

C O N F I D E N T I A L TOKYO 0149

SUBJ: OIL: NATIONALIZATION OF BP LIBYA

REF STATE 229809

1. FOLLOWING INSTRUCTIONS REFTEL, EMBOFF [redacted] WITH OYAKE, HEAD, INTERNATIONAL RESOURCES DIVISION, ECONOMIC AFFAIRS BUREAU. OYAKE NOTED THAT POTENTIAL PROBLEM OF SALE OF NATIONALIZED BP OIL IN JAPAN WOULD PROBABLY NOT ARISE, DESPITE ATTRACTIVENESS OF LOW SULFHUR CONTENT OF OIL, BECAUSE MARKET PRICE DUE TO T[redacted] PORT COSTS CONSIDERABLY ABOVE PRICE OTHER OI[redacted]. [redacted] B1

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2. [redacted]

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7

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PAGE 02 TOKYO 00149 070522Z

3. BP RAN ADVERTISEMENTS DECEMBER 23RD IN LOCAL ENGLISH LANGUAGE NEWSPAPER, JAPAN TIMES, AND JAPANESE LANGUAGE PAPER, NIHON KEIZAI, WHICH SPECIALIZES IN ECONOMIC/COMMERCIAL NEWS WARNING POTENTIAL PURCHASERS THAT BP WOULD TAKE LEGAL ACTION TO PROTECT RIGHTS. GP-4.
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